

~~SECRET~~ CONFIDENTIAL*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Office of Communications
Attn: Chief, Engineering Division

DATE: 18 December 1953

FROM : Chief, Contract Branch

SUBJECT: Contractor's Request for Contract Amendment Increasing Cost of
Contract XG-894, [REDACTED]

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1. Reference is made to the attached copy of letter, dated November 20, 1953 from [REDACTED], requesting a contract amendment to Contract XG-894 increasing the amount of said contract by the sum of \$1,058.30.

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2. The Contractor's request for an upward revision of the contract amount is based on the contention that the terrain encountered at certain particular tower sites was such that additional installation costs were necessary, over and above those quoted in the Contractor's bid for the contract work. The Contractor states the installation costs quoted in his bid were based on "normal" terrain, inasmuch as the sites had not been decided upon at the time of negotiation of Contract XG-894, but no such stipulation is found in his quotation.

3. Your comment is requested with respect to the Contractor's contention that the tower sites in question were in terrain which could not be considered "normal" for the geographical area involved and the type of physical installation contracted for under Contract XG-894. In addition, if you are of the opinion that abnormally difficult installation conditions did exist at the tower sites in question, your comment is requested with respect to terrain conditions which were encountered at tower sites not in question, with a view towards determining whether terrain conditions at such other tower sites were such as to have compensated for the increased installation costs of the tower sites in question by decreased costs at other tower sites.

4. By letter dated December 1, 1953, copy attached hereto, the Contractor has requested an extension of Contract XG-894 to February 28, 1954. Although Contract XG-894 states that

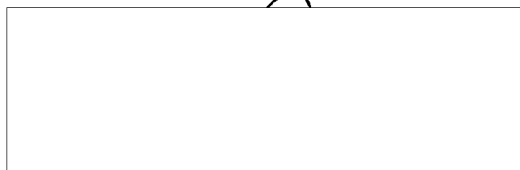
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complete delivery and installation shall be accomplished not later than February 1, 1953, the Contractor states that because of the non-availability of station sites installation could not be completed. The Contractor is, therefore, requesting an extension of the contract to February 28, 1954. Your comments on this extension are requested.



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Encls: (2)

LO/PD/CB/GFK:di (18 Dec 53)

Distribution:

- 1 - XG-894
- 1 - Chrono
- 1 - Follow-up

NOTE: Should it be determined that the Contractor is entitled to additional compensation a requisition will be required from your office.

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U. S. Government
Washington, D. C.

Gentlemen:

With reference to Contract XG-894, the tower prices set forth include installation. That portion of the tower price which is set aside for installation is based on normal terrain. Rocky soil, swampy or sandy areas require additional labor and material to properly install foundations and guy anchors. At the time Contract XG-894 was negotiated, the various microwave station sites had not been finally decided upon and, consequently, [redacted] was not able to inspect the terrain prior to contract negotiation. Hence, the reason for quoting the prices in the contract with a verbal agreement that the price would be revised upward in the event abnormal soil conditions were encountered. The following is a statement of the additional costs incurred:

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Station M

Excavation and blasting, additional labor	
28 man-hours @ \$3.71	\$103.88
Dynamite and caps	7.25
	<u>\$111.13</u>

Station O

Bending and re-laying conduit,	
24 man-hours @ \$3.71	\$ 89.04
Excavating and blasting, additional labor	
60 man-hours @ \$3.71	222.60
Dynamite and caps.	26.83
	<u>\$338.47</u>

Station Rk

Excavation and blasting, additional labor	
127 man-hours @ \$3.71.	\$471.17
Dynamite and caps	53.00
Additional hauling of sand and concrete	84.53
	<u>\$608.70</u>

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We would appreciate a contract amendment to reflect these additional charges.

Very truly yours,



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